

MEMORANDUM TO: Joseph A. Spetrini  
Acting Assistant Secretary  
Import Administration

FROM: Jeffrey A. May  
Director, Office of Policy  
Import Administration

SUBJECT: Issues and Decision Memorandum for the Expedited Sunset  
Review of the Antidumping Duty Order on Certain Concrete  
Reinforcing Bar from Turkey; Final Results

Summary:

We have analyzed the substantive response of the domestic interested parties, which are the only parties participating in the expedited sunset review of the antidumping duty order on certain concrete reinforcing bar from Turkey. We recommend that you approve the positions we have developed in the *Discussion of the Issues* section of this memorandum. Below is the complete list of issues in this expedited sunset review for which we received substantive comments from the domestic interested parties:

1. Likelihood of continuation or recurrence of dumping
  - A. Weighted-average dumping margin
  - B. Volume of imports
2. Magnitude of the margin likely to prevail
  - Margin from investigation

## History of the Order

On April 17, 1997, the Department of Commerce (“the Department”) published the antidumping duty order on certain concrete reinforcing bar (“REBAR”) from Turkey.<sup>1</sup> In the order, the Department published individual weighted-average dumping margins for Turkish manufacturers, producers, and exporters of REBAR, and an “all others” rate of 16.06 percent. Since the issuance of the order, the Department has completed two administrative reviews and one new shipper review.<sup>2</sup> The Department is currently conducting the third administrative review of the order. The final results of this administrative review are scheduled to be completed by August 28, 2002. The Department has not conducted any duty-absorption investigation in this proceeding. The order remains in effect for all manufacturers, producers, and exporters of REBAR from Turkey.

## Background:

On March 1, 2002, the Department published the notice of initiation of the five-year sunset review of the antidumping duty order on REBAR from Turkey, in accordance with section 751 (c) of the Tariff Act of 1930, as amended (“the Act”).<sup>3</sup> On March 18, 2002, the Department received a Notice of Intent to Participate on behalf of Ameristeel Corporation, Commercial Metals Company, Birmingham Steel Corporation, and Nucor Corporation (collectively,

---

<sup>1</sup> Antidumping Duty Order: Concrete Steel Concrete Reinforcing Bars from Turkey, 62 FR 18748 (April 17, 1997).

<sup>2</sup> Certain Steel Concrete Reinforcing Bars From Turkey: Final Results of Antidumping Duty Administrative Review and New Shipper Review, 64 FR 49150 (September 10, 1999), Certain Steel Concrete Reinforcing Bars From Turkey: Final Results of Antidumping Duty Administrative Review, 66 FR 56274 (November 7, 2001).

<sup>3</sup> Notice of Initiation of Five Year “Sunset” Reviews, 67 FR 9439 (March 1, 2002).

“domestic interested parties”) as specified in section 351.218(d)(1)(i) of the *Sunset Regulations*. The domestic interested parties claimed interested party status as domestic producers of the like product under section 771(9)(C) of the Act.<sup>4</sup>

On April 18, 2002, we received a complete substantive response from the domestic interested parties, as specified in the *Sunset Regulations* under 19 CFR 351.218(d)(3)(1).<sup>5</sup>

We did not receive a response from any respondent interested party in this proceeding. Consequently, pursuant to section 751(c)(3)(B) of the Act, and 19 CFR 351.218.(e)(1)(ii)(C), the Department is conducting an expedited (120-day) sunset review of this order.

#### Discussion of the Issues

In accordance with section 751(c)(1) of the Act, the Department is conducting this review to determine whether revocation of the antidumping duty order would likely lead to continuation or recurrence of dumping. Section 751(c) of the Act provides that, in making this determination, the Department shall consider the weighted-average dumping margins determined in the investigation and subsequent reviews and the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order. In addition, section 751(c) provides that the Department should consider whether respondent interested parties have waived participation in the review. Section 752(c)(3) of the Act provides that the Department shall provide to the International Trade Commission (“the Commission”) the

---

<sup>4</sup> The domestic interested parties note that Ameristeel, one of the two petitioners in the original investigation, has participated in all administrative reviews since the issuance of the order, and that all its member are participants in the on-going administrative review.

<sup>5</sup> On March 28, 2002, the domestic interested parties requested an extension of the deadline for filing substantive response in this proceeding. The Department extended the deadline until April 8, 2002, for all participants eligible to file responses.

magnitude of the margin of dumping likely to prevail if the order were revoked.

Below we address the domestic interested parties' comments with respect to continuation or recurrence of dumping and the magnitude of the margin.

## **1. Likelihood of Continuation or Recurrence of Dumping:**

### Interested Party Comments

The domestic interested parties assert that revocation of the antidumping duty order on REBAR from Turkey would likely lead to increased dumping in the United States.

With respect to weighted-average dumping margins, the domestic interested parties note that in the original investigation the Department established dumping margins above a level of *de minimis* for Turkish producers and exporters of REBAR, including an "all others" rate of 16.06 percent.

With respect to import volumes, the domestic interested parties concede that, although imports decreased immediately following the imposition of the order, imports began to increase following the first year of the order. Using statistical data, the domestic interested parties demonstrate in their April 8, 2002 response, that prior to the effective date of the order, REBAR imports from Turkey amounted to 202,000 and 293,000 tons in 1994 and 1995, respectively. In 1996, the year the petition was filed, imports had dropped to 131,000 tons, and in 1997, the year the order was published, imports dropped further to 84,000. In 1998, imports continued to decline to just 9,000 tons. In 1999, despite the antidumping duty order, Turkish imports began to increase to 42,000 tons and ultimately reached 215,000 tons in 2001.

To support their assertion that revocation of the order would lead to dumping, the domestic interested parties argue that those respondents with the highest dumping margins from

the original investigation, Izmir Metalurji Fabrikasi Turk A.S. and IzmirDemir Celik Sanayi, A.S., have never been subject to an administrative review, and another, Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S., is just now going through its first administrative review. The domestic interested parties argue that, if the order were revoked, these companies would be free to dump REBAR in the United States. In addition, the domestic interested parties hypothesize that, absent an antidumping duty order, Turkish producers, faced 30 percent safeguard tariffs on hot and cold bar if they exceed the 3 percent threshold, might shift more of their production and exports to REBAR because REBAR would be subject to a lower, 15 percent tariff.

The domestic interested parties argue that REBAR produced in the United States and Turkey is fungible. Therefore, without the discipline of the order, U.S. producers would be forced to lower already low prices to keep market share, or lose significant additional sales to Turkish producers.

The domestic interested parties further comment that the conditions of competition in Turkey, the United States, and other countries at that time of the original investigation were, if anything, better than those that prevail today. As the Turkish economy has floundered since the investigation, Turkish producers would need to rely on export markets and convertible currency; thus the United States would be on the receiving end of even greater volumes of unfairly traded Turkish REBAR.

For these reasons, the domestic interested parties believe that revocation of the antidumping order would mean that these producers, and all of the other Turkish producers, would be free to dump REBAR in the United States.

## Department's Position

Drawing on the guidance provided in the legislative history accompanying the Uruguay Round Agreement Act ("URAA"), specifically the Statement of Administrative Action ("SAA"), H.R. Doc. No. 103-316, vol. 1 (1994), the House Report, H.R. Rep. No. 103-826, pt. 1 (1994), and the Senate Report, S. Rep. No. 103-412 (1994), the Department issued its *Sunset Policy Bulletin* providing guidance on methodological and analytical issues, including the bases for likelihood determinations. The Department clarified that determinations of likelihood will be made on order-wide basis (see section II.A.2 of the *Sunset Policy Bulletin*). In addition, the Department indicated that it will normally determine that revocation of an antidumping order is likely to lead to continuation or recurrence of dumping where (a) dumping continued at any level above *de minimis* after the issuance of the order, (b) imports of the subject merchandise ceased after the issuance of the order, or (c) dumping was eliminated after the issuance of the order and import volumes for the subject merchandise declined significantly (see section II.A.3).

In addition to the guidance on likelihood cited above, section 751(c)(4)(B) of the Act provides that the Department shall determine that revocation of the order would be likely to lead to continuation or recurrence of dumping where a respondent interested party waives its participation in the sunset review. In this review, the Department did not receive a substantive response from any respondent interested party.

As discussed above, in the Discussion of the Issues section, in conducting its sunset review, the Department considers (1) the weighted-average dumping margins determined in the investigation and subsequent reviews and (2) the volume of imports of the subject merchandise for the period before and the period after the issuance of the antidumping duty order when

determining whether revocation of the order would lead to continuation or recurrence of dumping. In the original investigation, the Department calculated weighted-average dumping margins that range between 9.84 percent and 41.80 percent for several Turkish manufacturers, producers, and exporters of REBAR. Moreover, in the subsequent administrative reviews of this order, margins above levels of *de minimis* continued for Turkish companies, including a Turkey-wide rate.<sup>6</sup>

In addition, import statistics data provided by the domestic interested parties and confirmed by the Department show that imports declined significantly after the order was issued. *See* Memorandum to File, Import Volumes in the Sunset Review of the Antidumping Duty Order on Steel Concrete Reinforcing Bars from Turkey, July 1, 2002.

Based on this analysis, the Department finds that the existence of dumping margins above *de minimis* levels and decreases in export volumes after the issuance of the order are highly probative of the likelihood of continuation or recurrence of dumping.<sup>7</sup> Moreover, respondent interested parties waived their right to participate in this review. Therefore, given that (1) dumping has continued and import volumes declined significantly after the issuance of the order, (2) respondent interested parties waived their right to participate in this review, and (3) the absence of argument and evidence to the contrary, we find that dumping is likely to continue if the order were revoked.

---

<sup>6</sup> Certain Steel Concrete Reinforcing Bars From Turkey; Final Results of Antidumping Duty Administrative Review and New Shipper Review, 64 FR 49150 (September 10, 1999), Certain Steel Concrete Reinforcing Bars From Turkey; Final Results of Antidumping Duty Administrative Review, 66 FR 56274 (November 7, 2001).

<sup>7</sup> As discussed in Section II.A.3 of the *Sunset Policy Bulletin* the SAA at 890, and the House Report at 63-64, if companies continue to dump with the discipline of an order in place, the Department may reasonably infer that dumping would continue if the discipline were removed.

## 2. Magnitude of the Margin Likely to Prevail:

### Interested Party Comments

The domestic interested parties maintain that consistent with the *Sunset Policy Bulletin*, the Department should provide to the Commission the “all others” rate of 16.06 percent from the original investigation, noting that it is the Department’s policy to do so normally.

### Department’s Position

In the *Sunset Policy Bulletin*, the Department stated that it will normally provide to the Commission the margin that was determined in the final determination of the original investigation. Further, for companies not specifically investigated or for companies that did not begin shipping until after the order was issued, the Department normally will provide a margin based on the “all others” rate from the investigation. *See* section II.B.1 of the *Sunset Policy Bulletin*. Exceptions to this policy include the use of a more recently calculated margin, where appropriate, and consideration of duty absorption determinations. *See* sections II.B.2 and 3 of the *Sunset Policy Bulletin*.

In the original investigation, the Department calculated dumping margins for Turkish REBAR producers and exporters, including an “all others” rate of 16.06 percent. No interested party has argued that the Department should report to the Commission rates other than those calculated for purposes of the original investigation; nor is there any information on the record of this proceeding that would compel the Department to do so. Consequently, consistent with section II.B.1 of the *Sunset Policy Bulletin*, the Department will report to the Commission the company-specific and “all others” rates from the investigation as contained in the Final Results of Review section of this decision memorandum.



### Final Results of Review

We determine that revocation of the antidumping duty order on REBAR from Turkey would be likely to lead to continuation or recurrence of dumping at the following percentage weighted-average margins:

---

Manufacturer/producers/exporter	Weighted-Average Margin (percent)
<hr/>	
Colakoglu Metalurji A.S. or Colakoglu Dis Ticaret (Colakoglu)	9.84
Ekinciler Demir Celik or Ekinciler Dis Ticaret (Ekinciler)	18.68
Habas Sinai Ve Tibbi Gazlar Istihsal Endustrisi A.S. (Habas)	18.54
Izmir Demir Celik Sanayi A.S. (IDC)	41.80
Izmir Metalurji Fabrikasi Turk A.S. (Metas)	30.16
All Others	16.06

---

### Recommendation

Based on our analysis of the comments received, we recommend adopting all of the above positions. If these recommendations are accepted, we will publish the final results of review in the *Federal Register*.

---

Joseph A. Spetrini  
Acting Assistant Secretary  
for Import Administration

---

(Date)